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To: Microsoft ATR

Date: 1/15/02 1:56pm

Subject: Microsoft Settlement

The DOJ settlement proposal seems to address the past (emphasis on PAST) illegal practices by Microsoft to protect its monopoly position in the market for its software and platforms.

However, it does little to ensure that future illegal monopolistic practices are not engaged in.

It particular, it does very little to address the following:

Microsoft has had time to build up a significant barrier to entry for competitive products. Even with the proposed settlement in place, it would still be prohibitively expensive for would-be competitors to try to enter any market space that Microsoft has deemed theirs. There are already examples (maybe not necessarily directly illegal) of where Microsoft will attempt to commit anti-competitive behavior. For example, their recent financial investment in Groove Networks seeks to tie-in an emerging technology (peer-to-peer collaborative technology) to their Windows platform. The Windows brand is simply too powerful to compete against. The damage is already done!

It is generally agreed today that new markets such as mobile computing and small devices such as the Palm Pilot and Cellular phones will eventually command a larger share of consumer interest over the traditional PC. Microsoft has already begun to extend the Windows monopolistic brand to these new areas.

A technical review board put in place to review Microsoft practices would be too slow to be effective!

The settlement does nothing to compensate Microsoft competitors for the harm that they have endured. These competitors (Netscape, Java, Real Networks etc) are now engaged in an uphill battle to achieve some prominence in the market. These companies would today be in a much better market position if the anti-competitive practices by Microsoft were never engaged in, in the first place. Microsoft's strategy is to delay litigation until they can make come up with a different method of monopolizing the market or until the point is moot!

In closing, I disagree with the DOJ proposed settlement. It is a way for the DOJ to simply "give up" while saving as much face as possible.

The DOJ needs to come up with a way to "level the playing field" by giving Microsoft competitors "a leg up".